

VI. PUBLIC INTEREST CONSIDERATIONS

Approval of the indirect transfer of control described herein will serve the public interest in promoting competition among telecommunications carriers. Specifically, the indirect transfer of control of the McLeodUSA Operating Companies that will result from Forstmann Little's increased equity ownership of Parent (resulting from its new investment and conversion of preferred stock) will provide the McLeodUSA Operating Companies with the opportunity to strengthen their respective competitive position through access to the improved capital structure of their ultimate parent. In addition, the improved financial position of Parent that will result from this increase in funding will enable Parent to implement its long-term growth plans and to significantly enhance the operational flexibility and efficiency, as well as the long-term financial viability of the McLeodUSA Operating Companies. These enhancements will inure directly to the benefit of the McLeodUSA Operating Companies' customers. The proposed transaction will therefore ensure the provision of innovative, high quality telecommunications services to the public and should promote competition in the U.S. domestic telecommunications service market.

V. INFORMATION REQUIRED BY SECTION 63.18

(a) Name, address and telephone number:

Transferor: McLeodUSA Incorporated
McLeodUSA Technology Park
6400 C Street, SW
Cedar Rapids, Iowa 52406-3177
Tel: (319) 790-6823

Transferee: Transferees: Forstmann Little & Co. Equity Partnership-VII, L.P.
("Equity-VII")
Forstmann Little & Co. Subordinated Debt and Equity
Management Buyout Partnership-VIII, L.P. ("MBO-VIII")
Forstmann Little & Co. Equity Partnership-V, L.P. ("Equity-V")
Forstmann Little & Co. Subordinated Debt and Equity
Management Buyout Partnership-VI, L.P. ("MBO-VI")
Forstmann Little & Co. Subordinated Debt and Equity
Management Buyout Partnership-VII, L.P. ("MBO-VII")
767 Fifth Avenue
New York, NY 10153
Tel: (212) 355-5656

Licensees: McLeodUSA Telecommunications Services, Inc.
McLeodUSA Technology Park
6400 C Street, SW
Cedar Rapids, Iowa 52406-3177
Tel: (319) 790-6823

CapRock Telecommunications Corp.
15601 Dallas Parkway
Suite 700
Addison, Texas 75001

IWL Communications, Inc. d/b/a CapRock Services Corp.
12000 Aerospace Avenue
Suite 200
Houston, Texas 77034.

McLeodUSA Telecom Development, Inc.
29705 453rd Ave.
Irene, South Dakota 57307.

McLeodUSA Public Services, Inc.
121 South 17th Street
Mattoon, Illinois 61938

(b) Transferor: Parent is organized under the laws of the State of Delaware.

Transferee: Equity-VII, MBO-VIII, Equity-V, MBO-VI, and MBO-VII are
each organized under the laws of the State of Delaware.

Licensee: McLeodUSA is organized under the laws of the State of Iowa.
CapRock and IWL are each organized under the laws of the State
of Texas. MTDI is organized under the laws of the State of South
Dakota. MPS is organized under the laws of the State of Illinois.

- (c) Correspondence concerning this Application should be sent to:

Richard M. Rindler
Grace R. Chiu
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W., Suite 300
Washington, D.C. 20007
Tel: (202) 424-7500
Fax: (202) 424-7645

- (d) **Transferor:** Parent has not previously received authority under Section 214 of the Act.
- Transferee:** Equity-VII, MBO-VIII, Equity-V, MBO-VI, and MBO-VII have not themselves previously received authority under Section 214 of the Act.
- Licensee:** McLeodUSA, CapRock, IWL, MTDI and MPS hold domestic interstate Section 214 authority pursuant to blanket authority conferred by Section 63.01 of the Commission's rules, 47 C.F.R. § 63.01.
- (e) By this Application, Applicants seek authority to transfer indirect control of the McLeodUSA Operating Companies, all nondominant carriers holding blanket U.S. domestic interstate Section 214 authority, to Forstmann Little.
- (f) Concurrently with the filing of this Application, Applicants are filing an international Section 214 application for the approval required for the transfer of the McLeodUSA Operating Companies to Forstmann Little.
- (g) Equity-VII, MBO-VIII, Equity-V, MBO-VI, and MBO-VII each certifies for itself and Parent certifies for itself and the McLeodUSA Operating Companies, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules (implementing the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 3301), that it is not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

VI. CONCLUSION

For the reasons stated herein, Applicants respectfully submit that the public interest, convenience and necessity would be furthered by grant of this Application for consent of indirect transfer of control of the McLeodUSA Operating Companies to Forsmann Little.

Respectfully submitted,

By: 

Richard M. Rindler
Edward S. Quill, Jr.
SWIDLER BERLIN SHEREFF FRIEDMAN, LLP
3000 K Street, N.W., Suite 300
Washington, DC 20007
Tel: (202) 424-7742
Fax: (202) 424-7645

Counsel for Applicants

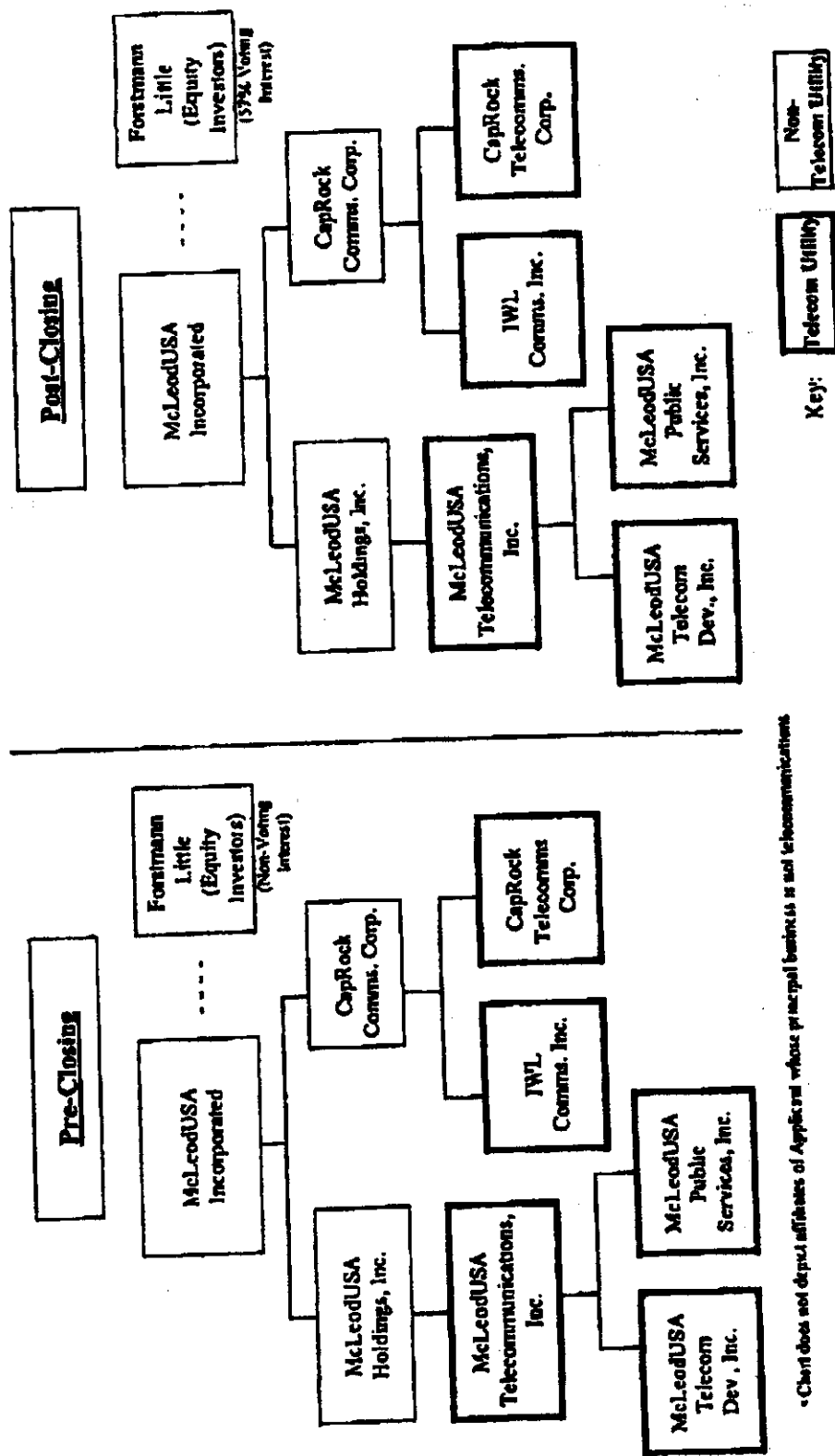
Dated: February 22, 2002

Exhibit A

Illustrative Chart

EXHIBIT A

Illustrative Chart



* Chart does not depict affiliates of Applicant whose principal business is not telecommunications

10/20/02

Verification

By: W. W. Hutchins
Name: Winston W. Hutchins
a general partner

February 20, 2002
207503 1

CERTIFICATION

On behalf of Forstmann Little & Co., I hereby certify that the statements in the foregoing Application for Section 214 authority are true, complete, and correct to the best of my knowledge and are made in good faith.

Forstmann Little & Co. Equity Partnership-VII, L.P.

By: FLC XXXII Partnership, L.P., its general partner

By: Winston W. Hutchins

Name: Winston W. Hutchins
a general partner

Forstmann Little & Co. Subordinated Debt and Equity
Management Buyout Partnership-VIII, L.P.

By: FLC XXXIII Partnership, L.P., its general partner

By: Winston W. Hutchins

Name: Winston W. Hutchins
a general partner

Forstmann Little & Co. Equity Partnership-V, L.P.

By: FLC XXX Partnership, L.P., its general partner

By: Winston W. Hutchins

Name: Winston W. Hutchins
a general partner

Forstmann Little & Co. Subordinated Debt and Equity
Management Buyout Partnership-VI, L.P.

By: FLC XXIX Partnership, L.P., its general partner

By: Winston W. Hutchins

Name: Winston W. Hutchins
a general partner

Forstmann Little & Co. Subordinated Debt and Equity
Management Buyout Partnership-VII, L.P.

By: FLC XXXIII Partnership, L.P., its general partner

By: Winston W. Hutchins

Name: Winston W. Hutchins
a general partner

February 20, 2002
WTF:dl

CERTIFICATION

On behalf of McLeodUSA Incorporated, I hereby certify that the statements in the foregoing Application for Section 214 authority are true, complete, and correct to the best of my knowledge and are made in good faith.

McLeodUSA Incorporated



By: David R. Conn

Vice President and Deputy General Counsel

February 20, 2002

307704 1

Verification

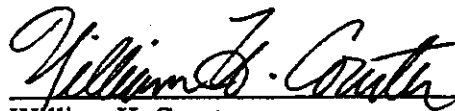
VERIFICATION

STATE OF IOWA

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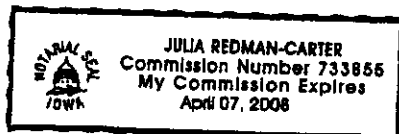
CITY OF CEDAR RAPIDS

I, William H. Courter, hereby state that I am Associate General Counsel of McLeodUSA Telecommunications Services, Inc.; that I am authorized to make this Verification on behalf of McLeodUSA Telecommunications Services, Inc.; that the foregoing filing was prepared under my direction and supervision; and that the statements in the foregoing document are true and correct to the best of my knowledge, information, and belief.



William H. Courter
Associate General Counsel
McLeodUSA Telecommunications Services, Inc.

SWORN TO AND SUBSCRIBED before me on the 7 day of October 2005.


Notary Public

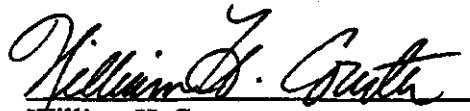
My commission expires: April 7, 2008

VERIFICATION

STATE OF IOWA
CITY OF CEDAR RAPIDS

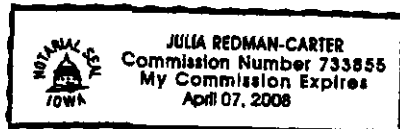
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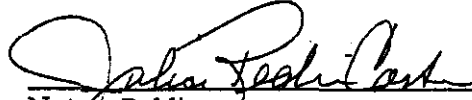
I, William H. Courter, hereby state that I am Associate General Counsel of McLeodUSA Telecommunications Services, Inc.; that I am authorized to make this Verification on behalf of McLeodUSA Telecommunications Services, Inc.; that the foregoing filing was prepared under my direction and supervision; and that the statements in the foregoing document are true and correct to the best of my knowledge, information, and belief.


William H. Courter

Associate General Counsel
McLeodUSA Telecommunications Services, Inc.

SWORN TO AND SUBSCRIBED before me on the 7 day of October, 2005.




Notary Public

My commission expires: April 7, 2008